REPORT

OF

JOHN WHITE, ESQ., M.P.P.,

AND

JOHN STEWART, ESQ.,

OF THE

INVESTIGATION INTO THE PUBLIC ACCOUNTS

OF THE

COUNTY OF HALTON.

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MILTON:
JACQUES & WILSDON, PRINTERS, "JOURNAL" OFFICE
1858.

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Richmond Hill

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1858.

MR. JOHN WHITE.

Leader 10 — May 1866

TO THE EDITOR OF THE LEADER.

SIR:—Your last publication gives Mr. Askin's charge of "disloyalty" against our parliamentary representative, Mr. John White. This gentleman's organ, the *Canadian Champion*, in its number of Thursday last, virtually admits the truth of the accusation. As "birds of a feather flock together," W. M. King, of Oakville, who is an avowed annexationist, and a supporter of Mr. White, in a communication to that paper, intimates that the language held by Mr. White, and for which he is impeached, was uttered *sub rosa*, which the editor of that journal learnedly interprets to mean an understanding that no advantage was to be taken of it. But does not this distinctly imply that the language was really used—that there was, indeed, something to be concealed—and, to be brief, that whatever Mr. White's public utterances may be, his private sentiments assuredly favor the pretensions of the not over-scrupulous neighboring republic?

As the *Champion* is so fond of Latin quotations, let him, if he can, adequately render the following adage of old Rome into English, and then say what inference is to be drawn as to the position which prudential politeness would there have occupied, when patriotism was in question—"Cari liberi, propinqui, familiares—sed omnes omnium caritates PATRIA una complexa est." Even although it should be made to appear then that Mr. Askin has been guilty of a breach of conventional politeness, however much rogues may effect to feel it, certainly every honest man must be most grateful to him if he shall thereby prove to have unmasked a concealed traitor.

A BRITISH AMERICAN.

HALTON, May 5th, 1866.

, HALTON "JOURNAL" OFFICE, MILTON.

Milton, 29th December, 1858.

(*To the Editor and Proprietors of the Halton Journal.*)

GENTLEMEN :—We beg leave to transmit to you herewith the correspondence and evidence taken by us in the investigation of the difficulties between the Freeholders and Householders of this County and the County Council and their officers, together with our *first* report thereon, which you are at liberty to publish for the benefit of the inhabitants of the County. If you publish the evidence and correspondence we shall feel obliged if you will also give the letter of Adam Wilson, Esq., Q. C., an insertion.

We are, sirs,

Your obedient servants,

JOHN WHITE.
JOHN STEWART.

P. S. Should you think the documents of sufficient importance to publish them in pamphlet form, we will take 500 copies.

We are &c.,

JOHN WHITE
JOHN STEWART.

Challie Dresses from $1 50 to $3.
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JOHN STEWART.

RICHMOND HILL
1863

PREFACE.

Through the kindness of John White Esq., M. P. P., to whom, in conjunction with John Stewart Esq., the investigation of the state of the county finances was judiciously entrusted, the publishers are enabled to lay before the public all the correspondence and evidence of an authentic character pertaining to the labours of executing the commission. The excitement consequent on the widely circulated rumours that all was not right in the disposition of the county funds, and the still increasing agitation of the public mind, alike render it imperative that everything relating to the unravelling of the mystery should be made public with as little delay as possible.

The vast amount of valuable information contained in the evidence of the County Clerk, and also of the Treasurer, will be read with that interest proportionate to its merit, and the synopsis of the leading features found in the final report, exhibiting at one glance the chief points of importance, should be perused with care. The two gentlemen who generously undertook the task of settling the momentous question of dispute between the people and the County Council as to the accuracy of the public accounts; who bore the burden of many dexterously aimed epithets from friend and foe; nay, who even risked their reputation in the result to benefit the public,—are entitled to much praise.

Too much prominence can scarcely be attached to the legal opinion of Mr. Adam Wilson, Q. C. as to the unenviable position of the members of the County Council collectively and individually. The opinion of a gentleman standing at the head of the legal profession in the Province ought to be conclusive to the people, that the men whom they selected to represent them in municipal matters have sadly betrayed their trust. To carry out the advice of the counsel rests entirely with the electors, and however much exaggerated or misrepresented, is only a question for the courts of law and equity to decide. Reason dictates that the perpetrators of wrong should not go unpunished.

It is much to be regretted that an issue of such magnitude should exist between the people and there representatives, and when it is considered

that men who have hitherto borne comparatively good characters are directly implicated in the misappropriations, the issue is gravely to be deplored. To Mr. Brown who has lived in this County upwards of thirty years, and who has connexions or acquaintances in every section, the case is lamentable indeed. Undesirable however, as is his position, he stands not alone. Mr. Miller's influence over the Treasurer in directing him in his disbursements, and in advising him on questions of controversy, is too well known for illustration. In some instances money was misappropriated on the strength of the Warden's order, in which cases both were culpable. The doings of Mr. Hamburg, County Clerk, if brought before a tribunal of justice, will subject him to a severe penalty. His own confessions are sufficient to convict him of misdemeanour, and the falsehoods he uttered to screen his wrong doings will not palliate his negligence in the eye of the law.

In whatever light the present state of matters may be viewed by persons of different temperaments, one opinion must be given by all—that various causes have conspired to inaugurate a relationship between the people and the County Council, far from being desirable.

THE EDITOR

REPORT, &C.

MILTON, 4th December, 1858.

JOHN MCNAUGHTON, Esq.

MY DEAR SIR:

I have this day entered into an investigation of the Treasurer's Accounts with *our* County, and I shall be glad if you will furnish me with a copy of all charges that are preferred against Mr. Brown. You will also furnish me with the correspondence of "P. D.," now known as William Colvill, with the *Halton Journal* newspaper, and a copy of the Estimates submitted to the Treasurer in 1857, as I can find no trace of them in the minutes. I regret to find, also, several omissions in the minutes of a very important character; but of this more anon. I am pleased to inform you that Mr. Brown has offered to me every facility to aid me in the investigation, by allowing me free access to the books, as well as answer any questions that I may deem it my duty to make for the public interest. This is as it should be.

Believe me to be

Very sincerely yours,

JOHN WHITE.

ESQUESING, 5th December, 1858.

JOHN WHITE, Esq., M. P. P.

DEAR SIR:

I beg to acknowledge the receipt of your favour of the 4th inst. Allow me to say that it was not the accuracy of the Treasurer's Accounts in general that were first brought under suspicion,—although an investigation into these would be indeed satisfactory, after what has lately come to light,—but it was the general transactions of the County; but the charges against the Treasurer were—

First.—Irregularity in his estimates, in requiring the exaction of much larger sums than were necessary or required for payment of interest and sinking fund, &c., under special rates established by By-laws.

Second.—Error in supposing the whole amount of the special rates to be applicable to the sinking funds of the different debts constituted by By-law, and not the balance only after payment of interest; and demanding exorbitant sums to replace such sinking funds when misapplied.

Third.—Irregularity in not keeping dis[illegible] accounts for each several debt so created, and showing in each accou[illegible] t was raised under the By-law specially, as required by statute; [illegible] his was done, then by publishing erroneous and indifferent states o[illegible] accounts, so as to mislead the public.

Fourth.—Irregularity in his financial st[illegible]s, in not restricting the receipts and expenditure to each separat[illegible] ipal year, and showing the surplus or deficiency in each, and co[illegible] error in the estimate in not specifying such surplus or deficiency, [illegible] tracting or adding it accordingly, and as each Council, yearly [illegible] y year, should supply its own wants and expenses only.

Fifth.—Error in the Council in pass[illegible] aws to collect the school tax twice—viz., first by a special By-law, [illegible] ain as specified in the estimate.

Sixth.—Error in the Council sanctio[illegible] able, aye, sometimes a triple exaction of interest under the c[illegible] nates. Such generally were the charges which were at first m[illegible] more particular specification of these you may find in a letter [illegible] Colvill to the Warden, submitted to the Council in June last, w[illegible] ust be in the Clerk's custody.

I regret that it is not in my power to [illegible] you the whole of "P. D.'s" correspondence, but what I have [illegible] *ls* in which it appears. I send you only one of the estimates—[illegible] appears in the published Minutes, but the Clerk ought to be [illegible] ession of all; and as the Treasurer is so anxious to afford every [illegible] I doubt not but that he will be able to procure you free access to t[illegible]

Very since[illegible] urs,

[illegible]MIN McNAUGHTON.

[illegible]N, December 3d, 1853.

GEORGE BROWN, Esq.,
Treasurer County Halton.

MY DEAR SIR:

Early in Autumn last, I met wit[illegible] Baxter, of Wellington Square, also with Mr. Barber, of Es[illegible] members of the County Council; and during our journey to Ha[illegible] e former made reference to the question of your accounts with the C[illegible], which was then being agitated through an anonymous correspon[illegible] the *Colonist Journal* newspaper, and by petitions presented to the C[illegible]nty Council, having direct reference thereto, by certain inhabitants of the [illegible]ships of Nassagaweya and Esquesing.

During our conversation, in which Mr. B[illegible] took part, I was requested to look into your accounts, with a [illegible]w to see the public mind right in reference thereto. To this I accede[illegible] Circumstances, however, occurred over which I had no control, which prevented me until the present from giving this important matter my attention.

I can now spare time to investigate the books in your office; and before the present year expires—which I believe, under the law, requires you to submit a balance up to the 31st inst.—I shall be enabled fully to judge whether charges preferred are correct, and thus allay the public mind on the subject. I shall therefore feel obliged if you will permit me

to have access to the books in your office, and answer any queries in respect to the amounts which I may feel it my duty to make for the purpose referred to.

I may promise that in undertaking this duty, I feel it due to you and myself to say that I shall feel grateful if the result will have a tendency to allay any excitement that may have arisen, or now subsists in the public mind in relation thereto.

I am, my dear Sir,

Your obedient servant,

JOHN WHITE.

MILTON, 4th December, 1853.

JOHN WHITE, Esq., Milton.

DEAR SIR:

Your letter of the 3d instant has this moment come to hand, stating a conversation that had occurred some time ago between you, Mr. Baxter, and Mr. Barber, members of the County Council, respecting the County Accounts. You also express a desire to examine the accounts and books with reference to the charges of an anonymous writer in the *Halton Journal*.

In reply, I have to say, it will afford me pleasure to give you any information or explanation respecting the accounts of the County, and to afford you every facility for an investigation by access to the books.

I send, as you desire, a copy of the Accounts of the County for 1856.

I am, Dear Sir,

Your most obedient servant,

GEO. BROWN.

Mr. White, on receipt of the above reply, submitted the following questions:

Question First.—How or in what manner do you keep your books of account with the County?—and do you keep separate accounts for special funds received and disbursed by you?

Question Second.—Do you annually submit a financial statement in detail of the receipts and expenditure of all moneys which may come into your hands by virtue of your office, according to law?

Question Third.—Do you, in the discharge of the duties appertaining to your office, and particularly as to the disbursements of moneys coming into your hands by virtue thereof, conform to the Act establishing Municipal Councils in Upper Canada, and to the By-laws passed by the Municipal Council under the authority of the same?—and if not, why not?

Mr. Brown declined answering the above questions.

MILTON, 7th December, 1858.

MY DEAR SIR:

According to your request, I enclose you herewith a copy of the charges preferred against you, to which I referred in my letter to you of the 3d instant, and would respectfully request you to make any explanations, by way of answer thereto, which you may deem proper.

The queries Nos. 1, 2 and 3, which I submitted to you on the 4th inst., on the receipt of your note to me of that date, you will not be required to answer until you make the explanations referred to. On the receipt of

your answer to the charges preferred, it may be possible that I may adopt the suggestion you made to me personally of merely inspecting your books, &c., and thereby find a solution of the charges. If, on the contrary, I am of opinion that the public interest may require me to adopt a different method, then I propose to carry on the investigation in the manner first suggested by me, and acceded to on your part. I adopt this course from a refusal on your part to answer the questions submitted to you on the 4th instant, except that I would submit *all* such questions to be proposed previous to any answer being given by you.

I shall also, at the proper time, furnish you with the evidence of the Clerk, Mr. Hamburgh, taken by me yesterday.

I am, my dear Sir,

Your obedient servant,

JOHN WHITE.

GEORGE BROWN, Esq.,
County Treasurer.

CHARGES PREFERRED AGAINST MR. BROWN,

TREASURER OF THE COUNTY OF HALTON.

Referred to in the above letter.

First.—It is alleged that there are interlineations and erasures in your several books of account.

Second.—That you have prepared and submitted to the Municipal Council of the County of Halton exorbitant Estimates, purporting to be sums of money required to meet the Liabilities and contingent expenses for the current years 1856, 1857, and 1858.

Third.—That you have appropriated moneys received by you contrary to law.

Fourth.—That you have borrowed moneys from private individuals for public purposes not requisite, and charged certain sums as interest thereof in your accounts.

Fifth.—That you have not complied with the statute, by not preparing and rendering your accounts in detail, showing a true and correct statement, as well as a correct balance of the affairs of the County, under their respective heads, for the current year, ending with the 31st December in each year.

Sixth.—That you have not invested the balance of moneys in your hands from time to time, in order that profit might accrue to the County by such temporary investment in some one of the chartered banks of this Province.

Seventh.- That you have purchased debentures or other securities of the County, which were issued by you and outstanding, not due and payable for several years, and which debentures or securities were held by private individuals, such purchase being made without lawful authority. And supposing that the purchase referred to was valid, it was inexpedient and unjust to make such purchase, as the circumstances of the people of the County would not warrant you in making such investment.

Eighth.—That the debentures purchased by you were not obtained at the then market value, but purchased at a greater rate, the County thus sustaining a loss.

MILTON, 7th December, 1858.

JOHN WHITE, Esq., Milton.

DEAR SIR:

I have received your letter of this date, preferring certain charges against me as Treasurer of this County. You say the charges are made by others, for whom you act. Will you please give the name or names of the person or persons preferring the charges? and oblige,

Dear Sir,

Your obedient servant,

GEO BROWN.

MILTON, 7th December, 1858.

GEORGE BROWN, Esq.

DEAR SIR:

I am in receipt of yours of this day's date, and hasten to reply. I cannot give you the name of the party who preferred the charges to which you refer without his consent; and as it is the *charges* we have to deal with, and not the *person* preferring them, you will please make answer to them, as requested in my last letter to you.

If, on application, I find that the party who prefers the charges refuses to permit me to accede to your request, I shall feel bound to give you his name at the close of the investigation (which I now promise to do); and then you are at liberty to make use of the information in any manner you think proper to adopt.

I will therefore feel obliged for a reply to the charges enclosed with my former letter, at your earliest convenience.

I am, dear Sir,

Your obedient servant,

JOHN WHITE.

MILTON, 8th December, 1858.

JOHN WHITE, Esq., Milton.

DEAR SIR:

I have received your letter of the 7th instant, declining for the present to give the name of the party making the charges you prefer against me, but promising to give the name at the close of the investigation. I accept the proposition, and until you do so shall consider you as the party making the charges. I therefore hope you will continue your investigation of the books of the County Treasurer.

I shall endeavour to have prepared an answer to the charges by the time you get through the examination of the books of account.

I am, dear Sir,

Your obedient servant,

GEO. BROWN.

MILTON, 8th December, 1858.

GEORGE BROWN, Esq.

DEAR SIR:

I duly received your note of this day, and beg leave to state, in reply, that I am surprised to find you desire to charge me with being your *accuser* in the matter now being investigated by me. You state that you "accept the proposition, and until you do so I shall consider you as the person making the charges." In undertaking an inquiry, I refer you to my former letter of the 3d inst, stating fully my views, and the reasons which caused me to make such inquiry, which you appeared *then* to accept as satisfactory.

I wish you, therefore, distinctly to understand that I disclaim making any charge against you; and in the inquiry I may feel it my duty to make, I do not wish to be placed in the position, at the same time, of being your *accuser* and *judge*.

I am, dear Sir,

Your obedient servant,

JOHN WHITE.

MILTON, 9th December, 1858.

JOHN WHITE, Esq., Milton.

DEAR SIR:

Did I understand you correctly, on the 7th inst., when you handed me a copy of eight charges preferred against me as Treasurer of this County, that you, in order to meet my views, had changed the venue, and, instead of putting certain questions, as you first proposed to do, you had made a copy of the charges handed me, which embraced all you had to submit, either in the shape of questions or charges? If this was your meaning, I am now ready to hand answers to these charges, and only delay my answer until I know whether you have anything further to submit.

I am, dear Sir,

Your obedient servant,

GEO. BROWN.

MILTON, 11th December, 1858.

GEORGE BROWN, Esq.

DEAR SIR:

In reply to yours of the 9th inst., I beg leave to state, that in the inquiry now pending, I am of opinion that *a full and fair investigation* of your books is requisite, and that the substance of the charges should *not* alone strictly be the subject of such inquiry.

This course is not only due to you as Treasurer, but also to the rate-payers of the County. I am also of opinion that in the further investigation of your books, it will be necessary to ask you for explanations, if the entries and accounts are not understood on inspection.

I have already stated to you personally that the charges were the principal subject of inquiry, and that the questions I should submit (if any) would only tend to explain them.

I do not clearly comprehend the reference in your note, where you state, "that, in order to meet my views, had changed the venue;" neither do I understand its application.

I trust that this explanation in reference to the whole matter will be satisfactory. I will also add, that absence from home prevented me from giving you an earlier reply.

I am, dear Sir,

Your obedient servant,

JOHN WHITE.

Evidence taken on the 6th December, 1858, from Francis Hamburg, Esq., Clerk of the County Council of the County of Halton.

Question 1st. Will you furnish me with an inspection of the Auditors' report to you for the years 1854, 1855, 1856, and 1857?

Answer. I have no abstract furnished by the Auditors in my possession, as certified by them. I produce an account signed by Mr. Brown, as Treasurer for the year 1854, for that year; also, another account for the same year, also signed by the Treasurer.

Ques 2nd. Have you also an account from the Auditors for the year 1855, setting forth a detailed statement of the accounts for the County for that year.

Ans. No: I have none.

Ques. 3rd. Have you also an account from the Auditors for the year 1856, setting forth a detailed statement of the accounts for the County for that year?

Ans. Yes, I have a detailed statement, signed by the Auditors, Messrs. Holgate and McKindsey. I produce a printed document, headed "Supplement to the *Halton Journal*: Financial Statement of the County of Halton for the year 1856."

Ques. 4th. Have you any written report, bearing their own signature in your possession or custody, relative to the accounts for 1856?

Ans. I have a copy. I think it must be in the *Journal* office.

Ques. 5th. Are you in possession of a copy of the Report of the Auditors for the year 1857?

Ans. Yes.

Ques. 6th. Will you please allow me to inspect it?

Ans Yes; I produce it.

Ques. 7th. When were you put in possession of the report now furnished, and if signed by the Auditors?

Ans. I was put in possession of the book produced, showing a financial statement of the accounts from the beginning, on the 15th June, 1858. It is not signed by the Auditors.

Ques 8th. Are the Minutes of Council, made up and prepared by you for publication, a correct record of the proceedings of the Council?

Ans. They are. I copy them from the Minute Book, and they are signed by the Warden, being first approved of by the Council.

Ques. 9th. Do the Minutes of Council referred to in your last answer contain a detailed statement of the financial affairs of the County, as well as a faithful and true record of the special funds received by the Treasurer, and rendered by him to you?—and if not, why not?

Ans A copy of his Accounts is laid before the Council, and, when approved of is published.

Ques. 10th. In looking over the Minutes of Council, I cannot find the Accounts for the years 1855 and 1857 published. How do you account for this omission?

Ans. The Minutes of Council for the years 1855 and 1857 were printed before the Auditors' Report was made, and they were published in the *Halton Journal* for general distribution, by way of supplement to that newspaper. The Minutes of Council for 1858 will show a financial

statement of the County with the Treasurer, from the organization of the Provisional Council to the end of the year 1858.

Ques. 11th. How does it happen that the Estimates furnished by the Treasurer, to meet the liabilities and other expenses for the current year ending with the 31st December, 1857, has been omitted in the published Minutes for that year?

Ans. The Estimates never have been published as furnished by the Treasurer during any year. I have orders from the Council in future to do so.

Ques. 12th. Can you give me a copy of the Estimates for the year 1857, as furnished by the Treasurer to the Council during that year?

Ans. I have none for 1857. They must have them among your papers, as you drew up the By-law; and I know you took it away.

Ques. 13th. Will you furnish me with a true copy of all the Accounts of the Treasurer, as audited by the Auditors?

Ans. Yes, I will.

Evidence of George Brown, Esq., Treasurer.

Ques. 1st. Do you keep a "Special Rate" Account? and do you debit the monies received to that account, when received from the Township and Town Treasurers from time to time?

Ans. Yes, certainly.

Ques. 2nd. Will you turn to the "Special Rate" Account, and inform me what sums were received from the year 1854 to 1858 inclusive?

Ans. In 1854, £506 15s.; in 1855, £590 15s.; in 1856, £433 18s. 3d.; then was the sum of £156 16s 11d. paid me in June following. Nelson being in default, no sinking fund was received during 1857 for that year. The assessments were not paid in full, and the Townships of Nassagaweya and Nelson have only paid $784 $\frac{5}{100}$. The other Towns and Townships are in default. Total amount received, £1,884 5s. 5d.

Ques. 3rd. Have you received any sums on account of Special Rate for 1858?

Ans. None.

Ques. 4th. How much have you paid from such "Special Rate" Account, on account of interest on debentures issued?

Ans. I have not paid any sums from that account, on account of interest on debentures. I have charged the interest of the debentures to the County.

Ques 5th. What authority had you for the payment of the interest due on debentures out of the monies to the credit of the County?

Ans. I acted under the supposition that the By-laws gave me that authority.

Ques. 6th. What By-laws do you refer to?

Ans. Nos. 3, 5 and 12.

Ques. 7th. On reference to these By-laws, Nos. 3; 5 and 12; at present, are you of opinion that you acted correctly?

Ans. I think it would have been more correct if I had charged the interest on debentures to the Sinking Fund Account.

Ques. 8th. Are you not of opinion that it would have been strictly legal, under the By-laws Nos. 3, 5 and 12, to have credited the interest to Special Rate Account?

Ans. I consider the Sinking Fund a special rate.

Ques. 9th. Do you consider the interest raised under the said By-laws a "special rate" also?—and if so, to what purpose should it be applied?

Ans. In answer to No. 7, I stated that it would have been more correct if I had charged the interest on debentures to the "Sinking Fund Account," as I now consider the interest formed a part of the special rate under those By-laws.

Ques. 10th. What part of such special rate, amounting to £1,884 5s. 5d., which you received and have carried to "Special Rate Account," should be considered as the interest raised to be applied to the payment of the interest due on debentures issued under the authority of By-laws Nos. 3, 5 and 12?

Ans. The interest charged in the County Accounts, and paid out of the County funds, amount to the sum of £1,101.

Ques. 11th. If the amount which you paid out of the County funds, amounting to £1,101, had been carried to the debit of the Special Rate Account, what sum should have been carried to Sinking Fund Account, in order to balance the Special Rate Account?

(Mr. White objected that the answer was not to the question. Mr. Brown would not give any other answer than the above.)

Ans. I have already answered that the Sinking Fund and interest is a special rate.

Ques. 12th. It is reported that you have invested a large sum of money in the purchase of debentures issued under the authority of certain By-laws of the Council. Will you please state the amount so invested, under what authority, and the rate purchased, and from what parties, with the name of such person or persons from whom you purchased?

Time taken to answer, to prepare statement.

COUNTY OF HALTON DEBENTURES.

To the Sinking Dr.

April 10.	To Cash paid to redeem County of Halton Debenture No. 19, for			£100	£95	5	0
May 20.	To Cash	paid	ditto for	No. 34 100	96	4	6
"	"	"		No. 35 100	96	4	6
"	"	"		No. 26 50	48	2	3
May 26.	"	"		No. 9 100	96	4	6
"	"	"		No. 44 50	44	13	4
"	"	"		No. 46 100	89	6	6
"	"	"		No. 10 100	96	4	6
May 31.	"	"		No. 37 100	96	3	4
"	"	"		No. 30 50	48	1	8
	"	"		No. 11 100	96	8	4
"	"	"		No. 12 100	96	8	4
June 4.	"	"		No. 16 250	241	4	9
" 15.	"	"		No. 22 100	96	14	2½
				£1400	£1337	5	9½

	No.	Discount.	Accrued Interest.
Discount and Accrued Interest on Debentures	19	6 5 0	1 10 0
	35	6 2 2	2 6 8
	34	6 2 2	2 6 8
	26	3 1 1	1 3 4
	9	6 2 2	2 6 8
	44	6 10 11	1 4 3
	46	13 2 0	2 8 6
	10	6 2 2	2 6 8
	36	6 6 8	2 10 0
	31	3 3 4	1 5 0
	11	6 1 8	2 10 0
	12	6 1 8	2 10 0
	16	15 3 8	6 8 5
	22	6 0 9½	2 15 0
		£96 5 5½	£33 11 2

1858. July 31.	To Cash paid County of Halton Debenture No. 8, for	£100	£94 2 0	
"	To Cash paid do. for No. 48	100	87 10 0	
Sept. 4.	" " No. 25	50	47 9 2	
Nov. 9.	" " No. 7	100	96 6 8	
		£350	£325 7 10	

No of Debentures.	Amount of Discount.	Interest Accrued.
8	6 0 0	0 10 0
48	13 0 0	0 10 0
25	3 0 10	0 10 0
7	5 13 4	2 0 0
Amount of Discount	£27 14 2	£3 10 0

REDEEMED

Amount of Debentures Redeemed brought forward.....	£1400 0 0	
Amount of Debentures Redeemed brought down.....	350 0 0	
Total Amount Redeemed.....	£1750 0 0	
Amount of Discount brought forward.....	£96 5 5½	
Amount of Discount brought down	27 14 2	
		123 19 7½

The Sinking Fund Money, with which the above amount of Debentures was redeemed, could only be invested in some of the Chartered Banks, and for which they would allow *three per cent*, while the County would have to pay the Debenture holders *six per cent*, which would cause a loss to the County of *three per cent* per annum until the Debentures would mature; whereas, by taking up the Debentures, a saving of three per cent interest per annum, and one per cent discount per annum, equal to *four per cent*, has been saved to the County, amounting to sum of £494 19s. 7½d. cy., on the £1750 of Debentures redeemed.

The amount of Debentures redeemed of those which had been issued by the Council is $7,000, which I before stated in answer to a former question, and also the amount of discount. I redeemed the Debentures under the authority of a resolution of the Council, and the order of the Warden.

John Sproat, Jun.,	presented	No.	19	for payment.
Thomas Joyce	"		35	"
" "	"		34	"
" "	"		26	"
William Joyce	"		9	"
G. C. McKindsey	"		44	"
" "	"		46	"
William Joyce	"		10	"
Robert Murray	"		37	"
" "	"		30	"
" "	"		11	"
" "	"		12	"
Richard Harrison	"		16	"
George Brown	"		22	"
" "	"		8	"
" "	"		48	"
Hugh Foster	"		25	"
Peter McKay	"		7	"

Ques. 134. Will you prepare a tabular statement of the amount of the Debentures issued under the authority of By-laws, Nos. 3, 5, and 12, showing the date of their issue, the date of sale, the amount of discount under such sale, to whom sold, and the date of maturity, with the number and denomination of such Debenture?

Ans. Yes.

STATEMENT SHEWING THE NUMBER AND AMOUNT OF DEBENTURES ISSUED BY THE COUNTY OF HALTON, THE DATE OF ISSUE, DATE OF SALE, AMOUNT OF DISCOUNT, AND TO WHOM SOLD.

Date of issue	No.	Amount.	Amount of discount.	Date of sale.	When due.	To whom sold.
May 29..	1...	$225	...42 10..	Aug. 18..	June 30..	Miss Ruxton
" "	2	"	" "	June 26	" "	Michael Kenney.
" "	3	"	" "	" "	" "	" "
" "	4	"	" "	Aug. 18	" "	Miss Ruxton.
" "	5	50	5 0	June 3	" "	W. Joyce, Nelson.
" "	6	"	" "	Aug. 18	" "	Miss Ruxton.
" "	7	100	10 "	" "	" "	Hugh Foster.
" "	8	"	" "	Oct. 9	" "	Geo. Brown.
" "	9	"	" "	July 8	" "	Wm. Joyce, Esq'r
" "	10	"	" "	Sept. 2	" "	" "
" "	11	"	" "	June 10	" "	Hugh McDowel.
" "	12	"	" "	" "	" "	Joseph Bowes.
" "	13	"	" "	" "	" "	David Scott.
" "	14	"	" "	Oct. 3	" "	Adam Sproat.
" "	15	500	50 "	July 3	" "	William Harrison.
" "	16	250	25 "	" 19	" "	Richard Harrison.
" "	17	"	" "	" 4	" "	Robert Murray.

(*Statement, &c., &c., continued.*)

Date of Issue.		No.	Amount	Amount of Discount	Date of Sale.		When due.		To whom sold.
May	29	18	100	11 0	Sept.	29	June	30	James Applebe.
"	"	19	"	10 "	Sept.	29	"	"	John Sproat.
"	"	20	"	11 "	Sept.	29	"	"	James Applebe.
"	"	21	"	11 "	Sept.	29	"	"	James Applebe.
"	"	22	"	10 "	Oct.	9	"	"	Geo. Brown.
			2500						
Oct.	9	23	50	5 "	Oct.	9	Oct.	9	Geo. Ghent.
"	9	24	50	5 "	Nov.	24	"	"	Adam Sproat.
"	9	25	50	5 "	Dec.	17	"	"	Hugh Foster.
"	9	26	50	5 "	Nov.	24	"	"	Wm. Joyce, Esq'rg
"	9	27	50	5 "	Dec.	21	"	"	Arthur Brooks.
"	9	28	50	5 "	Jan.	5	"	"	Wm. Harrison.
"	9	29	50	5 "	Nov.	6	"	"	Alex. Brown.
"	9	30	50	5 "	Jan.	16	"	"	Robert Murray.
"	9	31	100	10 "	Nov.	4	"	"	Robert Murray.
"	9	32	100	10 "	Nov.	4	"	"	Robert Murray.
"	9	33	100	10 "	Nov.	6	"	"	Alex. Brown.
"	9	34	100	10 "	Nov.	24	"	"	Wm. Joyce.
"	9	35	100	10 "	Nov.	24	"	"	Wm. Joyce, Esq'r
"	9	36	100	10 "	Nov.	6	"	"	Robert Murray.
"	9	37	100	10 "	Nov.	6	"	"	Robert Murray.
"	9	38	100	10 "	Nov.	24	"	"	Wm. Joyce, NePn.
					1855.				
"	9	39	100	10 "	Jan.	5	"	"	Wm. Harrison.
"	9	40	100	10 "	Feb.	28	"	"	Mr. M. Brown.
			2500						
1856.							1871.		
June	30	41	50	8 0	July	10	June	30	Robert Murray.
"	30	42	50	8 0	Nov.	3	"	"	Wm. Harrison.
"	30	43	50	8 0	Nov.	3	"	"	Wm. Harrison.
"	30	44	50	8 0	Nov.	1	"	"	Robert Murray.
"	30	45	100	16 0	July	10	"	"	Robert Murray.
"	30	46	100	16 0	July	10	"	"	Robert Murray.
"	30	47	100	16 0	July	10	"	"	Robert Murray.
"	30	48	100	16 0	Nov.	3	"	"	Geo Brown.
"	30	49	100	16 0	Nov.	3	"	"	Wm. Harrison,
"	30	50	100	16 0	Nov.	3	"	"	Wm. Harrison.
"	30	51	100	16 0	Nov.	3	"	"	Wm. Harrison.
"	30	52	100						Not Sold.
"	30	53	250	40 0	July	10	"	"	Robert Murray.
"	30	54	250	40 0	Aug.	8	"	"	Henry Harrison,
"	30	55	250	40 0	Nov.	3	"	"	Wm. Harrison.
"	30	56	250	40 0	July	10	"	"	Robert Murray.

Ques. 14th. Have you a copy of the financial statement rendered by you to the Auditors annually and does such statement exhibit a correct balance of the income and expenditure of all monies received by you, and the assets of the County for the current year, ending with the 31st December in each year respectively?

Ans. No. I have the books from which the financial statement was made, and which was rendered to the Council for the years 1854, 1855, and 1856. The amounts were made up to the 31st day of January following the close of each of these years. The amount for the year 1857 was made up to the 31st December of that year.

Ques. 15th. Do the amounts to which you refer as rendered to the Council show a correct balance of monies in your hands and assets of the County from year to year?

Ans. Yes; to the best of my knowledge there is not a single error in the accounts of receipts and expenditure.

Ques. 16th. How does it happen that in the minutes of Council the account ending with the 31st January, 1856, shows a balance in hand of £853 16s. 2½d cy., while in the financial statement rendered to the Auditors for the same year, and said several statements purporting to exhibit the receipts and expenditure for the same period, the latter shows a balance of only £145 13s. 9½d? Please explain.

Ans. I am not aware the minutes of Council show any balance. The Auditors' amounts for that year show a cash balance on hand from all sources of £853 16s. 2½d, while of that amount £145 13s. 9½d, cy., was at the credit of the County of Halton, a statement of which balance I annex:

Balance County of Halton		£145 13 9½
Balance of School Fund on hand		162 9 8
Balance of non-resident Lands Assessment		6 3 5½
Sinking Fund on hand		590 15 0
Lunatic Asylum rate		194 16 7½
Amount of balance of accounts		£1099 18 6½
Less interest paid Wentworth	£306 2 4	
Deduct interest paid Nelson & Nas. R'd Com.	60 0 0	246 2 4
		£853 16 2½

Ques. 17th. Please look at the minutes of Council in the account rendered 31st January, 1856, under the caption Road Companies, where you will find an item, "paid interest to Co. of Wentworth on Debentures issued Nelson and Nassagaweya Road Company. "£231 14s. 2½d," while in the financial statement published the same year, purporting to be paid on the same account, the amount appears to be £242 11s. 4d.

Ans. I think it is only a mistake in printing the minutes!

Ques. 18th. I perceive in the Minutes of Council also there is another mistake or discrepancy. In the Minutes there is also stated under the heading "*Road Companies.*" "Cash paid interest on Debentures, Trafalgar, Esquesing, and E. in do, "£270, whereas on the other hand it is different in the abstract published for the same year for the public as paid on the same account, £360.

Ans. The statement of account published in that form gives a statement of amount due by the several Road Companies, and 12 Mile Creek bridge and includes a half year's interest paid in 1855, which is not brought into the account of receipts and expenditure for 1856 annexed to the Minutes of the Council for that year.—The apparent discrepancy between the two statements is exactly a half year's interest on the sums due by each of the said Companies and Bridge, except in the case of the Nelson

and Nassagaweya Road Company which paid £60 of the first half year's interest, leaving a balance of £10 17s. 2½d of interest paid by the County, which added to £231 14s. 2½d, interest paid in 1856, will make £242 11s. 4d, the amount found charged in the account against the Company.

Ques. 19th. Does the abstract published show what sum was actually paid by you out of the County Funds on the account of the several Road Companies, and 12 mile Creek Bridge for the year 1855? and if so, what sum?

Ans. The abstract referred to shows the amount paid by the County on account of the Companies and Bridge, on amount assumed by the County, while the account annexed to the Minutes only shows what sum was paid in 1856 for these works. The amount paid in 1856 was £1900 9s. 7d, cy. The whole amount charged against the Companies and Bridge, in the abstract amounts to £2147 11s 11d, of which £246 2s 4d was paid in 1855, while the balance, £1900 9s. 7d was paid as stated in answer to last question, in 1856.

Ques. 20. Will you now put in your answer to the charges submitted to you in my letter of the inst., from Nos. 1 to 8 inclusive?

Ans. The answers to your several questions I think are answers to the charges.

Ques. 21. On what authority did you purchase the several Debentures not yet due, and outstanding issued under the authority of By-laws Nos. 3 5, and 12? and what amount of such Debentures did you so purchase? and from what sources did you receive money to make payment therefor, and at what discount?

Ans. I redeemed outstanding County Debentures on the authority of a resolution of the County Council and order of the Warden to the amount of £1730. I paid for the Debentures out of the "*Sinking Fund.*" The discount taken was one per cent per annum, on the time to run which amounts to £123 19 7½.

Ques. 22. Are you of opinion at the present time such authority sufficient to warrant you to invest "Sinking Fund."

Ans. Yes, I consider I had.

Ques. 23. What amount in the aggregate of "Sinking Fund" was to the debit of that account which you considered you had a right to invest in the purchase of such Debentures up to the present time?

Ans. The amount of Sinking Fund provided for in the Estimates for 1857 was £2519, which sum included the amount to be raised for 1857 and the three preceding years, the whole of which I think I am authorized to apply in redeeming County Debentures under resolution of the Council, the whole of which sum will have accrued when the rate for 1857 is paid up.

Ques. 24. What amount, if any, is now to the debit of Special Rate account?

Ans. The "Sinking Fund" is the only "Special Rate" account I have kept.

Ques. 25. Did you in the purchase of the Debentures referred to, obtain them at a greater discount than is allowed or taken by law by the chartered Banks of the Province?

Ans. The discount as I before stated was one per cent per annum on time. The Debentures were bearing six per cent per annum, interest.

The one per cent discount and six per cent interest saved would equal seven per cent

Ques. 26. What salary did you receive as Treasurer for the year 1856? And on what authority did you take such salary; under what By-Law and when such By-Law was passed by the Council?

Ans. I received £125 for that year. I paid myself under the authority of By-Law No. 15, and the Warden's order. The By-Law was passed on the 2nd December of that year, and I was paid on the 23rd of the same month.

Ques. 27. On reference to By-Law No. 15, I find that the following words occur in the first clause: "That from and after the passing of this "By-Law, the following sums shall be paid to the following Officers and "others of this County." How does it happen that you interpret the By-Law to have a retrospective effect, and to take pay under the authority of that By-Law, for the year 1856?

Ans. I believe the By-Law was passed to provide for the payment of the several Officers therein named for the current year, who had not been paid their salaries. Such interpretation was given to the By-Law by Council at the time of passing the same, to the best of my recollection.

Ques. 28. Are you of opinion that the receiving of the sum of £125 under the provisions of By-Law No. 15 for that part of the current year previous to its passage, by you, was strictly legal?

Ans. Believing the intention of the By-Law was to provide for the payment of certain salaries, I never considered the legal construction of the wording of it, and pronounce no opinion in regard thereto.

Ques. 29. Do you not consider the legal construction of By-Laws of the Council in the discharge of your duty when acting under the authority of such By-Laws?

Ans. I take the *plain and obvious meaning* of the By-Laws for my guidance, and in the case of By-Law No. 15, I certainly think it went to provide for payment of salaries due for 1856.

Ques. 30. Do you consider By-Law No. 5 in force? If not, is any part of it law? Please refer to it and answer.

Ans. No salaries have been paid under it since By-Law No. 15 was passed.

Ques. 31. In looking over your accounts for the year 1855, I find you borrowed $900 from George Brown and James Harrison, Esquires, and that you have charged the County a sum of money as interest therefor. On what authority did you make such loan? and what necessity did there exist for borrowing such sums when it appears that large sums were at the credit of the County from time to time during that year thereafter?

Ans. At the time the loan was negotiated, £60 had been advanced temporarily by me for the payment of Jurors. It was believed by me and by the Council that money would be required to pay the current expenses of the County, therefore a loan was negotiated for the amount alluded to. In Mr. Harrison's case a note was given by the Warden and self, payable the first of January following; the amount advanced by me was on the same terms. [answer not satisfactory].

Ques. 32. Did you deposit from time to time the balance or sums of money in your hands in any Bank? And if so, did you keep such separate from your own private account?

Ans. I deposited such sums as I thought would not be required to be used soon. In making the payments for County purposes, I make these deposits as frequently as I could without going expressly for such purpose unless when I had a large sum on hand, in which case I went on purpose rather than keep it long on hand. I two or three times deposited some money of my own without opening a private account.

Ques. 33. In the event of monies being found requisite for County purposes could you not have obtained from the Bank a temporary advance instead of borrowing from private individuals to make such temporary wants?

Ans. I do not know. I did not try, and did not suppose the Bank would grant favours to the County more than to private persons.

Ques. 34. Did you receive any sum or sums of money as interest on such deposits?

Ans. I Never received any interest on any deposits made by me at the Gore Bank. The Bank of Toronto agency at Oakville allowed three per cent on deposits made there.

Ques. 35. Did you deposit monies at any other than the Gore Bank and Bank of Toronto.

Ans. All monies received from Government were received at the Bank of Upper Canada, and there remained some time before withdrawn.

Ques. 36. Did you keep a pass book showing the nature and extent of the deposits made in the several Banks? And will you please produce such pass-books?

Ans. Yes. Except the monies deposited by the Government in the Bank of Upper Canada. I produce the pass-book.

Ques 37. If you had deposited the monies in your hands under the resolution of the Council, passed in the autumn of 1857, in the Bank of Toronto instead of transferring the amount to the Gore Bank, would not a large sum have accrued to the County at the rate of interest allowed by the Bank of Toronto for the monies deposited by you in that institution.

Ans. I did deposit the money in the agency of the Bank of Toronto at Oakville as ordered by the Council, until again ordered by the resolution of Council to deposit in some one of the chartered Banks at Hamilton.

☞ Note. Mr. White objected to the answer as being incomplete and not an answer to the question. Mr. Stewart was of the same opinion and fully coincided with Mr. White. Mr. Brown positively declined giving any other answer.

Ques. 38. Did you not use your influence with members of Council to procure the rescinding of the Resolution requiring you to deposit the monies in you hands at the Bank of Toronto, where interest was paid on such deposits?

Ans. I stated to the Council that it was not very convenient to have the account at Oakville Agency; that I had sent a Cheque to Toronto, and one to Hamilton, and both had been returned to me.

Ques. 38. Why were the Cheques returned to you?

Ans. The parties could not make use of them.

Ques. 39. Could you not have made arrangements with the manager of the Agency at Oakville, to have paid under your directions any sum or sums which you desired to pay on your account at Hamilton or Toronto?

Ans. I did not try to make any arrangements.

Ques. 40. What amount had you on deposit in the Gore Bank from time to time during the year 1858? And what cash balance appears to the debit of the County in your hands from time to time on the o each month from the first day of March to the first day of December inclusive, not bearing interest?

Ans. The balances appearing in the cash book which I now submit viz:

Then the sums I had on hand.

On the 1st	March,	1858.	$ 9554 67
"	April,	"	10250 53
"	May,	"	11151 00
"	June,	"	7147 00
"	July,	"	2538 56
"	August,	"	1332 5
"	September,	"	2426 24
"	October,	"	3674 33
"	November,	"	1969 11
"	December,	"	3301 00

The sums in the Bank pass-book shows the amount deposited except such sums as were received from Government at the Bank of Upper Canada.

Ques. 41. What amount of interest was allowed you in your account with the Agency of the Bank of Toronto on the amount deposited by you there.

Ans. The amount appearing in the Bank book of the Bank of Toronto Agency, to wit, $69 37 and $9 37. To al $69 74.

Ques. A. What period of time did you keep the account at the bank of Toronto. What amount did you deposit and what was the average amount at time of such deposit d.

Ans. I deposited there on the 11th and 12th December, £2067 18 0 which I chequed out from time to time and was all withdrawn on the 13th Dec., inst.

Ques. 42. Will you produce the note given to Mr. Harrison, to which you referred in your answer No. (21) in respect to the $500 borrowed by you.

Ans. Yes. I produce it, the note is dated the 12th May, 1855, payable on the 31st Dec., bearing interest at six per cent per annum.

Ques. 43. Will you produce the Cheques or Vouchers made to the credit of the Gore Bank?

Ans. I can only give you the Bank pass-book. I have not the whole of the Cheques. I produce those in my possession.

Ques. 44. In rendering your account annually to the County Council, do you conceive it to be your duty to make a Financial Statement in detail, showing a true state of the accounts of the County for the current year, ending with the 31st Dec., in each year.

Ans. For the year 1851, 1855, and 1856, I rendered the account up to the 31st of January following the close of each of these years, and for the year 1857, up to the 31st of December. The accounts I rendered for these years were in detail.

Ques. 45 Do you not consider it to be your duty to shew, in your annual statement of accounts, the debts due to the County, which may be denominated properly assets for the current year, for which the account is ren-

fered, and which may not have been paid over to you by the Municipalities, shewing such Municipality in default?

Ans. I have not ever made any statement when rendering my annual statement of accounts of balances of assessments due from the several Municipalities of the County.

Ques. 46. In referring to your answer No. (2) you stated that the Township of Nelson was in default in making payment of the Sinking Fund. Do you find that Municipality in default for any greater sum for the year 1856?

Ans. The Township of Nelson was in default £324 8 1 of County rates at the close of the year 1856, also £75 Lunatic Asylum rate at the same time, as well as the amount of Sinking Fund alluded to in your question No. (46).

Ques. 47. In your annual statement rendered on the 31st Janv., 1857, there appears to be a balance of cash in hand of.....£1363 3 2½
If you had shewn the amount in default by the Township of Nelson and due for that year, and not paid until the 3rd day of June, 1857, amounting to..... £481 5 0
would not the actual balance to the credit of the County be the sum of..... .....£1844 8 2½
instead of the fictitious balance of.....£1363 3 2½?

Ans. Of course had £481 5 0 more have been paid than was paid and added £1363 3 2½ the cash balance on hand at the end of the year, the two sums would produce £1844 8 2½.

Ques. 48. What balance appeared to the debit of the County of Halton, on the 31st Dec., 1857, as cash balance in your hands.

Ans. £1513 11 1½ cy.

Ques. 49. What amount remained unpaid as due to the County by the several Treasurers of the Municipalities for the year ending with the 31st December, 1857?

Ans. The amount remaining due and unpaid to the County from the several Municipalities of the County of the assessed rates of 1857 at the close of the year, was £6129 8 5.

Ques. 50. What amount, if any, was the County liable to pay out of the amount thus set forth in your two last answers for the year 1857?

Ans. The County had to pay to the Township and Town, Municipalities, £715 17 9. Town Officers, fees for collecting rates, and £576 18 0 Municipal grant for Common Schools, making in the whole the sum of £1292 15 9.

Ques. 51. What amount of interest did you anticipate to pay during the first half year of 1858, for all purposes?

Ans. I find interest due on Debentures June last $728, issued under the authority of By-Laws Nos. 3, 5, and 12, and interest to Wentworth $1186.

Ques. 52. What amount then would be the balance in your hands if the amounts from the different Municipalities in arrear had been paid on the 31st Dec., 1857, allowing the sum of £715 17 9 due as fees to Collectors, allowing also £576 18 0 being the grant to Common Schools, also the amount paid as interest on Debentures, issued under By-Laws 3, 5, and 12, and interest to Wentworth, and any other sums which the County should have been [illegible] with as expenditure for the current year, ending with the 31st [illegible] ber, 1857?

Ans. I do not think it any part of my duty to calculate future contingencies depending upon "ifs"; yet, as the answer is so plain, I do not refuse to give it all—the charges against the County were charged in the County accounts audited, and had all the rates been paid up at the time specified, there would be a balance on hand after providing for or deducting the sums mentioned in your questions as follows:

Supposed balance at the close of the year.....			£6129 8 5
Sums mentioned in your question:			
Township Officers, fees.....	£715 7 9		
Municipal grant to Schools.....	516 18 0		
The interest mentioned are payments made in 1858, and amount as above stated to the sum of.....	428 10 0	1720 15 9	
		LA.03 12 8	
To which add the cash balance on hand 31st December, 1857			1513 11 1½
Would make a total of.....			£5011 3 9½

Ques. 53rd. What amount of the above balance (£5,011 3s. 9½d.) should be credited to the County, and debited to "special rate" account on the 31st December, 1857, including the amount advanced and paid by you as interest on debentures due on the 30th June, 1858?

Ans. The amount of sinking fund estimated for in the Estimates for 1857, which amount, deducted from the above supposed balance of £5,922 3s. 9½d., would leave a balance of £3,403 13s. 9½d. to be credited to the County, had all been paid up.

Ques. 54th. In your answer to Question No. 52, you say that "I do not think it any part of my duty to calculate future contingencies depending upon ifs." Have you any doubt of the amount shewn as due by the Municipalities of £6,129 8s. 5d. to the County for the year 1857 not being received by you from such Municipalities?

Ans. I have no doubt of the solvency of the several Municipalities, and of their ability to pay the amount of rates assessed on them.

Ques. 55th. Then, are you to be understood that the amount of £6,129 8s. 5d., in the last question, will be paid?

Ans. I again repeat, that I have no doubt the several Municipalities will pay their liabilities to the County.

Ques. 56th. What cash balance appeared to the debit of the County on the 1st January, 1857, in your hands?

Ans. £1,363 3s. 8½d.

Ques. 57th. What amount was due to the County for 1856 at its close, and unpaid, and which may have been received by you?—and if received, when?

Ans. The Township of Nelson was due to the County rates, at the close of the year 1856,.....	£[illegible]24	8	1
Lunatic Asylum rate,.....	75	0	0
School Municipal grant,.....	111	16	8
Sinking Fund rates,.....	1[illegible]6	16	11
	£[illegible]608	1	8
Of which amount the Township was entitled to a drawback, for collecting rates, the sum of.....	6[illegible]	17	1
	£[illegible]509	4	7

All the other Municipalities had paid up.

Ques. 58th. Then the cash balance of £1,363 3s 8½d., on the 31st December, 1856, and the amount received from the Treasurer of Nelson, amounting to £599 4s. 7d., the *true* balance would have been £1,962 8s. 3½d., if the Municipality had not been in default?

Ans. If the Township of Nelson had paid up £599 4s. 7d., the balance of rates due before the close of the year, of course, there would have been £599 4s. 7d. more on hand, which, added to the real balance on hand, (£1,363 3s. 8½d.) would make the sum of £1,962 8s. 3½d.

Ques. 59. Do you, in the discharge of the duties of your office, and particularly as to the disbursements of moneys coming into your hands by virtue thereof, conform to the Act establishing Municipal Councils in Upper Canada, and other laws relating to your duties, as well as the By-Laws passed by the Municipal Council under the authority of such Laws; and if, not, why not?

Ans. I think I have, except in the case of the Sinking Fund account, where I believe I made a mistake in charging the interest on Debentures to the County instead of the Sinking Fund account.

Ques. 60. Do you not consider it to be your duty to exhibit in the Annual Financial Statement, submitted for audit, any sum or sums of money which were due the County yearly, and every year as well as the balance in hand and thus show the true state of affairs of the County for the current year from all sources?

Ans. I consider it my duty to submit annually a statement of receipts and expenditure of the County. I have before stated in answer to a question of yours that I had not submitted any statement of assessed rates remaining due from Municipalities until they were paid.

Ques. 51. How did it happen that you did not pay over to the Government the rates levied and received by you for Lunatic Asylum, according to Law?

Ans. The reason the Lunatic Asylum rate was not paid over at the proper time to the Government was that it was used for County purposes.

Ques. 62. Why did you permit funds thus raised for a specified purpose to be applied illegally? And why permit the Special Rate Fund raised and in your hands to be applied or paid to any other purpose than the payment of interest and to create a Sinking Fund?

Ans. The money must have been borrowed to pay County liabilities had not these sums been used for County purposes.

Ques. 63. Did you state at any time or to any person or persons other reasons for illegally appropriating the monies referred to?

Ans. I think this an improper question and therefore refuse to answer.

Ques. 64. Did you receive any order from the Warden, or authority from the Council, for the payment of monies out of the "Special Rate" Account?

Ans. I received orders from the Warden, from time to time, to pay monies, the Council knowing I had no other than "Sinking Fund." Some of these monies might also have been applied to the payment of money under Statute or By-law, such as payment of Jurors' Medical Practitioners. In the case of the Lunatic Asylum rate, it was used to pay a debt due to Wentworth; and for doing which I do not think I had a written order. (11)

Ques. 65. What year did you use or apply such monies as stated?

Ans. The sinking fund has been used every year until the present year. The Lunatic Asylum rate was used in 1857.

Ques. 66. Did you in a public manner submit such state of the finances to the Council at any time during the years referred to?

Ans. I do not think I made any such public communication to the Council.

Ques. 67. It appears, from the accounts rendered from time to time, that you did not invest any portion of the "Sinking Fund" you had on hand temporarily, in order that interest might accrue thereon. Why did you not do so?

Ans. The "Sinking Fund" was never long on hand until it was used, or at least part of it.

Ques. 68. Did you prepare and submit to the County Council or to the Auditors an account of all the monies received and expended during the year ending with the 31st December next preceding, the sum or sums received by you for and on account of the non resident lands within the County?

Ans. I did not submit any statement to the County Council or Auditors of monies received by me as rates on non-resident lands, for this reason—that I did not consider those rates any part of the County funds. I never brought them into the County Accounts as such. Such sums were paid over to the several Municipalities to which they belonged.

Ques. 69. Please say whether you are of opinion you are required, under sections 69 and 74 of the Assessment Laws Consolidation Act, to submit those accounts for audit, and report to the Council such accounts?

Ans. I am of opinion that section 74 of the Assessment Laws Consolidation Act applies only where Debentures have been issued, and is a charge upon the Non resident Land Fund. When Debentures have not been issued on the credit of such fund, I do not think the accounts require to be audited.

Ques. 70. If the balance assessments as surplus in hand for 1857 amounting to $13614 $\frac{35}{100}$ had been deducted from the amount of your Estimates for 1858 would not the County Council have had only $6164 $\frac{35}{100}$ to assess as provide for instead of the enormous sum of $20,279.

Ans. I do not think it a part of my duty to answer suppositions.

Mr. White objected and requested a further answer. Mr. Stewart agreed with Mr. White that the question was not only a proper one but that the answer was not satisfactory.

Ques. 71. Can you state what sum would be at the credit of the County on the 31st Dec., 1857, after discharging the liabilities of that year when the Municipalities have paid up their respective assessment due for that year unpaid?

Ans. I have already stated that on the 31st Dec., 1857, there was on hand a cash balance of L.1513 11 1½ cy., and that had all the rates assessed on the several Municipalities been paid up at that time there would have been L.4408 12 8 more on hand after deducting school money for 1857 and expenses of Collecting rates but this supposed case did not exist for the rates were not paid up.

Ques 72. Have you received any amount, and if so, what amount, of the sums due by the Municipalities which you stated were in arrear amounting to £4408 12s. 8d.?

County Rates received		$16075 89
Sinking Fund.....		784 05
Lunatic Asylum Rate		370 34
Do. do.		602 56
School Money		700 00
		$18532 84
Out of which deduct School Money....	$700 00	
	944 45	
	76	
		1644 21
		$16888 63

There are still due, after deducting School Money and expence of collection :—

From the Town of Milton	£57	1	8½	
" Town of Oakville	203	8	4	
" Township of Esquesing	333	6	1½	
" " Trafalgar.....	316	5	3½	
	970	1	5½	$3680 29
				$20568 92

FIRST REPORT.

TO THE

Inhabitant Freeholders and Householders

OF THE

COUNTY OF HALTON.

In the early part of last autumn the subject of difference between certain sections of the County of Halton and the County Council was set forth in two petitions, which the Freeholders and Householders of those sections presented to the Council praying for an investigation into the state of the Treasury. These petitions the said Council thought proper to dispose of in a manner inconsistent with the importance of the subject, and in a manner not complimentary to the petitioners.

The subject also became a matter of discussion in the press as well as generally among the inhabitants of the County. So much was the public mind agitated in reference to the alleged abuses and malversations and the burdens consequent thereon, that the Grand Jury at the last Fall Assizes complained in their presentment to the Court of the "heavy charge entailed by the delay of bringing prisoners to trial on our NOW OVER TAXED COUNTY."

Thus matters continued. The people and the Council were found arrayed against each other. The people asking for a thorough investigation into the state of the Finances and the Council refusing it, and treating all as if it was a sham. At last two of the Finance Committee showed indications of uneasiness and requested me to look into the matter, and if possible arrive at the truth and thus allay the excitement. To this I acceded, and lost no time in proceeding to the task.

I of course made inquiry at the County Clerk's office for the necessary records which the law requires he should file yearly for inspection, but imagine my surprise when I was informed by him that there were no such documents! This occurred on the 1st October last. What was to be done? I then proceeded to the Treasurer's office in company with the Clerk and stated to the Treasurer that I desired to have an inspection of his Accounts. He stated that it would not be convenient as he had to pay the Jurors attending the Assizes that afternoon, but expressed himself very anxious that I should examine into the matter, and to this end requested me to call some time during the ensuing week. When I called he stated that I could not examine the Accounts till the week next following, as he was then busy making out a whole statement of those Accounts. A press of private business occupied my attention afterwards till the beginning of this month. On the 3rd day of December, I addressed a note to the Treasurer asking permission to investigate the Accounts, to this I received a note in reply the following day, inviting me to the

task and professing to afford all facilities for the examination. Both notes will be found on a preceding page. I then began the investigation, and in course of progress found that it would be desirable that some person should be appointed to assist me partly for the following reasons, viz., because the Warden took upon himself to assail me with imputations of improper motives, because the parties accused made some portions of the result of the investigation public.

To secure the services of an associate accredited by the Council, I lost no time in making an application to that body at its last session on the 14th of the current month. My note addressed to the Warden will be found elsewhere one of those members of the Council who suggested the propriety of an investigation was therefore most in his opposition to my request, and the other did not render the support which might have been expected from him. The conduct of the Warden, who, from his office, ought to be the first to protect the interests of the County was in the last degree reprehensible. He listened with patience to his own favourites but the two who differed from him were bullied into silence or turned into tacit submission to authority. The oldest member of the Council was actually put down by the Warden and not allowed the privilege of fair discussion. In order to strengthen my claim for an assistant, I appeared personally before the Council, and urged the necessity of appointing a fit and proper person; but I am sorry to say that all my arguments were disallowed, and the conduct of the head of the Council was anything but decorous or dignified towards me or my object. In order to come to a correct finding in this matter, I found it necessary on the 5th of Dec., to go to the Clerk's office for accredited Financial Accounts for several years past, which should have been filed and in his possession, according to the following section of the Municipal Act, which requires the Auditors to deposit them with him in duplicate.

CXLIV. And be it enacted, That it shall be the duty of such Auditors to examine, settle and allow or report upon all accounts which may be chargeable upon or may concern such Corporation, and which may relate to any matter or thing under the control or within the jurisdiction of such Corporation for the year ending on the thirty-first day of December preceding their appointment as such Auditors; and to publish [an abstract of the receipts and expenditures and liabilities of such Corporation in some public newspaper published within the jurisdiction of such Corporation, or in any other manner that such Corporation may by By-law direct,] and to file their report thereon in duplicate in the Office of the Clerk of such Municipal Corporation, which they shall do in at least one month after their appointment, and from thenceforth one of such duplicate reports shall at all reasonable hours be open to the inspection of any inhabitants of such Township, County, Village, Town or City, with power to take by himself, or his clerk or agent, but at his own expense, a copy or copies or an extract or extracts from the same at his pleasure.

Auditors to examine all accounts against or concerning Corporation.

To Publish a statement of expenditures and liabilities of Corporations.

And file the duplicate report thereon with the Clerk of the Corporation.

And in like manner the following section is perfectly clear upon the duty of the Clerk—a duty which he has not performed.

"CLXX. And be it enacted, That it shall be the general duty of such Clerk to record in a book to be provided for that purpose, all the proceed-

ings of the Corporation of which he shall be Clerk and to make regular entries of all resolutions and decisions, and to record the vote of every person present entitled to vote on every question submitted if required by any member present, and to PRESERVE AND FILE ALL ACCOUNTS acted upon by the body of which he is Clerk, and TO KEEP the books, RECORDS and ACCOUNTS of such body, which shall be open, without fee or reward to the inspection of all persons, at all seasonable times and hours.

Thus it will be seen that the most important duties, imperative upon this officer, by the Municipal Act have been set at defiance. I regret to say that no data essential to my purpose could be found with him!

I now refer you to a careful perusal of the answers given by the Clerk to my questions. They are full of admissions and contradictions unworthy of Mr. Hamburg, and show conclusively how the interests and trusts committed to the Council and their officers have been protected. I am sorry for his conduct.

After submitting to a good deal of unnecessary abuse from the parties implicated, but still determined that no obstacle should thwart my exertions in educing the real facts,—this being an act of justice, both to the parties accused and to the people of Halton,—I secured the valuable assistance of John Stewart, Esq., of Esquesing, and with his co-operation prosecuted the examination.

The Treasurer having refused to give answers to my first three queries, I handed to him the charges printed in the preliminaries of the investigation.

NOW FOR THE CHARGES.

The First.—"The existence of erasures and interlineations in the several books of Accounts of the Treasurer."

The best proof of this is an inspection of the books. A glance is sufficient to convince any one that this is the case; although we are far from imputing to the Treasurer any intention to pervert the Accounts.

The Second.—That the Treasurer "prepared and submitted to the Municipal Council of the County of Halton exorbitant Estimates, purporting to be sums of money required to meet the liabilities and contingent expenses for the current years 1856, 1857, and 1858."

For the year 1856, we believe that the Estimate was correct, except that sufficient provision was not made for the payment of monies due the County of Wentworth, falling due early in the ensuing year.

For 1857, we regret to find a wrongful and exorbitant Estimate made. We believe that there was raised, over and above what was necessary for that year, no less a sum than $10,000, or thereabouts!

For 1858, the Estimate made by the Treasurer to meet the current expenses, amounting to.....	$20,279
we believe would be correct; but the Council, not satisfied with this, levied.....	21,323
and the Treasurer omitted to deduct from such Estimate the cash balance on hand, amounting to.....	6,054
To which add amount due from the Municipalities,...	20,513
Total,.....	$26,572

Less due, as per answer to question No. 50,.....	$5,172	
To pay interest due on Debentures and to Wentworth,..	1,714	
		6,885
Balance,.....		$19,687
From which deduct, to replace Sinking Fund, which had been applied to other purposes on previous years,.....		1,746
Total balance cash on hand, and due from the Municipalities,.....		$17,941
Amount brought down, levied for 1858,.....		$21,326
From which deduct the above balance cash available from 1857,		17,941
Balance,.....		$3,385

Now, there is a great difference between $21,326, levied for this year, and the small sum of $3,385, which would suffice if this amount on hand at the end of last year was credited to the County by the Treasurer!!

The above results form matter of serious consideration. The over-estimates, and the commercial crisis and scarcity of money, in years of unexampled trials to the Province in general, were hard to be endured by the people of this County. We are exceedingly sorry that the business of this County is conducted in such an unsatisfactory manner, and that the community, in trying times like these, had to bear the burdens, in our opinion, unnecessarily imposed upon them, and which should have been avoided but for the conduct of those who had the control of affairs.

The third charge is, "That the Treasurer appropriated monies received by him contrary to law."

This is admitted by the Treasurer himself, and not only by him but by other members of the Council. The responsibility is not confined to the Treasurer. Every member of the Council from the Warden downwards is involved.

The fourth charge, is, "That the Treasurer borrowed monies from private individuals for public purposes not requisite, and charged certain sums as interest therefor in his Accounts."

We find in May, 1855, Mr. Brown paid out to parties of his own funds £63 19 5

On or before the 12th May, the same year he received from various sources..... £16 0 0

Leaving in his favour.....		£47 19 5
On that same day we find placed to his credit,	£75	
Borrowed from James Harison.....	125	200 0 0
Balance on hand on the same date.....		£152 0 7

We find that at the end of every month during that year by his own cash book, he had large balances on hand precluding the necessity of borrowing more than the L.47 19 5 as we find on the 20th June the same year that he had on hand the sum of L.799 6 0 available.

We think that in consequence of the balance at the Treasurer's credit at the Gore Bank, he could easily have effected a temporary loan instead of borrowing monies for a larger period than was requisite, the County thus sustaining a loss.

The fifth charge is, That the Treasurer has not complied with the statute, by not preparing and rendering his Accounts in detail showing a true and correct statement, as well as, a correct balance of the affairs of the County, their respective heads, for the current year, ending the 31st Dec. in each year."

We find that the Treasurer has not complied with the requirements of the statute; and more particularly in consequence of the manner in which he has kept the special rate Account. His duties in reference to these matters are clearly set forth in the following section of the Municipal Act.

"[VII. And be enacted, That in the books of every such Corporation, or Provisional Corporation, *two* separate Accounts shall be kept, one for every such special rate, and one for the Sinking Fund of such debt or loan, to be both distinguished from all other Accounts in such books by some prefix disignating the purpose for which such debt or loan was created or contracted; which Accounts, with any others that may be necessary for that purpose, shall be so kept as at all times to exhibit the state of such debt or loan, and the amount of moneys raised, obtained, and appropriated for the payment thereof."

Neither has he complied with other portions of the law defining his duties The time and manner required by the statute have been neglected by the Treasurer.

The sixth charge is, "That the Treasurer has not invested the balance of moneys in his hands from time to time, in order that profit might accrue to the County by such temporary investiment in some one of the chartered banks of this province." We find that no such investments are made. The balance yielding no interest in the Gore Bank. The Bank of Toronto at Oakville paid 3 per cent on deposits of less than three months and 4 per cent on those over that period; but the Treasurer used his influence with the Council to withdraw from the branch at Oakville that paid 3 per cent and gave preference to the Gore bank that paid nothing at all, thus entailing a loss; the for the short time the deposits were in the Toronto Bank $59 74 of interest accrued to the County. Had those deposits been continued the amount that would have been yielded in interest to the County would be considerable. This loss is unaccountable to us. Especially during the present year, with the large balances at the Treasurer's disposal, a very handsome amount might be realized by the County in interest had the change not taken place and deprived the *overtaxed* people of every farthing of that interest.

The seventh charge accuses the Treasurer of purchasing Debentures or other securities of the County, which were issued by him and outstanding not due, and payable for several years, which were held by private individuals, such purchase being made without lawful authority and supposing the purchase valid that it was inexpedient and unjust to make such purchase as the circumstances of the people of the County would not warrant him in making such investments.

Mr. Brown himself admits the most of the above charges. His evidence shows himself purchasing debentures from himself and selling them to himself! This is illegal and highly reprehensible. Still the traffic has been carried on with several individuals contrary to law. It involved a misappropriation of the people's money which these hard times can find neither palliation nor excuse, and which at any time sets

law at defiance and might lead to consequences disastrous to the welfare of the County. What has the sinking fund to do with speculation in debentures? Should it not be left intact for the purposes intended?

We are sorry to find that the Treasurer has transgressed the law in the misappropriation of the Sinking Fund and that the Council incur a greater share of responsibility by sanctioning any such misappropriation. Like the case of the Toronto bank, the Treasurer has employed his influence to induce the Council to invest the Sinking Fund in the purchase of County Debentures on the plea of such investment being of advantage to the County. But we have no doubt that instead of this being the case it is the *few* at the expense of the many that are benefitted.

We think the Warden is severely to blame for neglecting to act upon the information of the Finance Committee to apply for the sanction of the Governor in Council before touching the Sinking Fund. This would give him an air of excuse but instead of having any misgivings on the legality of the huckstering in Debentures, he urged the Treasurer to enter into the business with vigour and prosecute it with zeal.

The eight charge, is, That the Debentures purchased by the Treasurer were not obtained at the then Market value but purchased at a greater rate, the County thus sustaining a loss.

We consider the purchase of the Debentures injurious to the interests of the County for several reasons. Taking into account the probable influx of population in to the County and the time to run, with the high prices paid for the Debentures, and the difficulty of raising money. It is unjust towards the people, and prevents others from taking their share in the payment of the expenses left on the County.

The same description of securities that were purchased at seven per cent discount were sold during the year at twenty per cent discount, the County thus sustaining a loss even if the sale and purchase were legal in other respects.

In addition to the previous charges, we are of opinion that the salaries paid the County Officers for the year 1856 were illegal, the By-Law (No. 15) sanctioning the payment not being respective. The answer to question 28 is in our opinion an evasion; and the opinion of the Treasurer as expressed in answer to question 29 is not sound by the wording of said By-Law; because the "plain and obvious meaning" of the By-Law we conceive, to be *prospective*, and not *retrospective*. Hence to receive the salaries mentioned by it, back for seven months before its passage is illegal.

We are of opinion that it is the duty of the Treasurer to give a clear and correct statement of the finances of the County on the 31st of December every year, and that the sums due from the different Municipalities (if any) should be set down in the Accounts, in order that the people will have an opportunity at the proper time of receiving a *real* and not a fictitious Annual Statement. We are also of opinion that the audited records of the County ought to be filed in duplicate in the Clerk's office, and that the parties that neglected this legal duty have rendered themselves amenable to law. In fine we are of opinion that the appropriation of Special Funds to other purposes is illegal, as in the case of the Lunatic Asylum and which was devoted to an object for which it was never intended.

We append a communication on this point received from one of the most eminent Counsel in the Province, Adam Wilson, Esq., Q. C. Toronto, for which we bespeak the careful perusal of the public.

We have now placed before the public a careful statement of the results of the investigation into the condition of the County Finances. The evidence is now in black and white, we have nothing to conceal or to dread. We have acted impartially and in the discharge of the functions attempted to be fastened upon us our actions have been prompted by motives as advantageous to ourselves and

Offi[illegible] they are to the people. In fact we are of opinion that the Treasurer and Council [illegible] [illegible] right [illegible] which no independent [illegible] man [illegible] allow to go abroad uncontradicted. In taking the step we have taken we consider we were doing an act of justice to all parties concerned and accused, and to ourselves.

In this case the Municipal law, which we consider as the accumulated experience of years and the bulwark of the people's rights, has been [illegible] violated, as is clearly proved by the result of the investigation. If such infractions are permitted to go on unchecked what will become of the community and their interests and trusts? Will not one of our noblest legal safeguards the Municipal Act become a dead letter, and the floodgates of extravagance and unbridled license pour in their baneful contents and overwhelm the [illegible] exertions put forth by the people, destroy the confidence that one man should repose in another, and inaugurate a state of things in which security to property will be a mockery and the majesty of the law itself? We believe it is as important to maintain inviolate the integrity of the Municipal Act and the By-Laws from time to time in force as our constitutional charter. Every individual in the community has an interest at stake in both and every individual should see that both are respected or the consequences may be serious. It is our opinion that the people of Halton should protect their interests property and laws as much as other people similarly situated do, and that to gain this end no pains should be spared, or opportunity omitted.

In conclusion we trust that one of the results of our labours will be to introduce a reform in the management of our County Finances, and in the keeping of our County Accounts.

This report is by no means complete. There are very important parts, items, and statements which we are not at present in a position to give. To specify them here is unnecessary. We cannot conclude this our first Report without expressing our regret that the result of our investigation may have been disagreeable to certain individuals. A sense of duty to ourselves and all parties concerned is paramount to every other consideration and feeling however keen or sensitive.

JOHN WHITE.
JOHN STEWART.

APPENDIX.

MILTON, December 28th, 1858.

GEO. BROWN, Esq.,
Treasurer County Halton.

DEAR SIR:

We find that you have appropriated a large sum of the funds in your hands denominated by you as "Sinking Fund" in the purchase of County Debentures not yet due for several years. We are of opinion that you have not, in either law or equity, any right or authority to invest such monies for any other purpose than the redemption of such Debentures when they mature, and more particularly as we consider that you are not only investing the "Sinking Fund," but also the funds of the County.

We therefore, for the above and other reasons, protest against the further investment of any monies which may be in your possession or custody.

We are, dear sir,
Your obedient servants,
JOHN WHITE.
JOHN STEWART.

(COPY.)

MILTON, 9th April, 1858.

MY DEAR SIR:

I had the offer of a £100 Debenture to-day. I did not take it up, as I observed, by resolution of Council, the consent of Government was first to be obtained.

Will you please write what I should do in the case—should I take up the Debenture or not?

I am, my dear Sir,
Yours very truly,
GEO. BROWN.

ROBERT MILLER, Esq.,
Warden County Halton, Nelson.

(COPY.)

NELSON, 9th April, 1858.

G. BROWN, Esq.,
Treasurer.

In answer to yours of the Side, you say, by the resolution, we are to get the consent of the Goverment to buy up the Debentures. Such is the case, as far as the resolution is concerned; but I do not see that the Government has any jurisdiction in the matter; therefore, I did not ask their consent. Buy as many as you can, or as much as you have means to pay to pay for, out of the Sinking Fund.

I remarked to the Council, that probably it might be necessary to apply for liberty; and if so, I would do it. But I cannot find anything their consent necessary.

I am,
(Signed) ROBERT MILLER *Warden.*

TORONTO, 21st December, 1858.

The sections of the Municipal Acts bearing on the question with the Treasurer, submitted to me the other day, are the following:

14 and 15 Vic., c. 109, sec. 7.

Two separate accounts shall be kept—one for the "Special Rate," and one for the "Sinking Fund."

Section 8.

If there shall be a residue at the credit of the Special Rate Account, after the payment of the *interest* and the appropriation to the *Sinking Fund*, more than sufficient to meet the interest for the year next after the occurrence of such residue, the same shall be carried to the Sinking Fund.

14 and 15 Vic., c. 109, sched. A 24, amending 12 Vic., c. 81, sec. 177.

Any part of the Special Rate which cannot be applied to the payment of the debt or interest shall be invested in the Government securities of the Province, or in such other securities as the Governor in Council shall direct; and to apply all interest or dividends to arise thereon to the like purpose as the amount levied by the Special Rate.

The 22d Vic., c. 99, sec. 228, permits the Governor to authorize their own Debentures to be redeemed by the Municipal Council, by applying such residue to that purpose instead of investing it.

But this clause came only into force on the 1st of this present month, and has no relation whatever to past transactions.

The Finance Committee of Halton, by their Report of the 9th of March, 1858, recommended that "authority be obtained by the Warden from the Governor in Council to apply the *Sinking Fund* on hand, or what may hereafter be received, in the purchase of outstanding Debentures not matured, upon the best terms that can be arranged with the holders of such Debentures, at a rate of abatement not less than seven per centum per annum; and in the event of this authority not being granted, that the same be placed in one of the chartered banks, at the best rate of interest obtainable."

This report, I presume, was adopted by the Council.

Upon the same, the Warden, without applying to the Governor for authority so to apply the Sinking Fund, or without obtaining it at any rate, directed the Treasurer to buy up all the Debentures he could; and accordingly the Treasurer bought from his relations and himself Debentures, which they held with the proceeds of the Sinking Fund, and also with the general County Funds, to the extent of $6,600.

At this time there was at the credit of the Sinking Fund Account, if properly kept,—for everything was entered under the head of the "Special Rate Account,"—only $1,729 5-100; yet the redemption of Debentures was $4,870 95-100 beyond the money in hand.

It is represented, also, that the Treasurer has either lent to the County, pretended to do so, money of his own and of his friends, and has paid to himself interest therefor—when there was, in fact, either money enough on hand without the necessity of borrowing at all, or there was no kind of occasion for borrowing.

It appears, also, that in the Report of the Treasurer of the 9th of June, 1857, he stated that £348 would have to be raised for *interest* on Debentures 3, 5 and 12.

Yet that £590 15s. was required for the Special Rate, which he calls the Sinking Fund. Now, this amount includes *interest* over again.

Then that £1,688 5s. is required to replace the *Sinking Fund*, as he calls it again, for 1854, 1855, and 1856, for monies withdrawn from it; this again including *interest*.

I cannot, on the whole, say how much interest has been so improperly placed in this Estimate; but it seems there is something not quite right about it.

I am therefore of opinion

That the Council could not *redeem* the County of Halton's own Debentures, either with or without the Governor's consent;

That all parties concerned in so doing have made themselves liable for it;

That the Treasurer could not buy up any Debentures of his own, however justified he might have been in taking them from others;

That he was not warranted in charging interest as on money borrowed from himself or from others, while he had public money in hand, or while there was no occasion for borrowing at all;

And that he is punishable for having done so, and for having failed to keep proper accounts in his books, and making up wrongful estimates.

The 12th Vic., c. 81, § 171, the 12th Vic., c. 81, § 172, as amended by the 13th and 14th Vic., c. 64, and the 16th Vic., c. 182, § 76, show what the Treasurer's duties are.

Proceedings may certainly be taken against him and his sureties, upon their bond; or he might be proceeded against as for a misdemeanour for disobedience of the statute.

I believe I have answered all the matters referred to me.

I remain

Yours very truly,

ADAM WILSON.